VZCZCXRO0168 PP RUEHLN RUEHVK RUEHYG DE RUEHDBU #1625/01 2420711 ZNR UUUUU ZZH P 300711Z AUG 06 FM AMEMBASSY DUSHANBE TO RUEHC/SECSTATE WASHDC PRIORITY 8462 INFO RUCNCIS/CIS COLLECTIVE RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHINGTON DC RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC RUEHAK/AMEMBASSY ANKARA 1799 RUEHBJ/AMEMBASSY BEIJING 1798 RUEHRL/AMEMBASSY BERLIN 1743 RUEHIL/AMEMBASSY ISLAMABAD 1794 RUEHBUL/AMEMBASSY KABUL 1753 RUEHLO/AMEMBASSY LONDON 1684 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1764 RUEHFR/AMEMBASSY PARIS 1505 RUEHKO/AMEMBASSY TOKYO 1519 RUEKJCS/SECDEF WASHDC RHMFIUU/HQ USCENTCOM MACDILL AFB FL RHMFISS/HQ USEUCOM VAIHINGEN GE RUCNDT/USMISSION USUN NEW YORK RUEHNO/USMISSION USNATO 1714 RUEHBS/USEU BRUSSELS 1070 RUEHVEN/USMISSION USOSCE 1766 RUEHDBU/AMEMBASSY DUSHANBE PRIORITY 9857

UNCLAS SECTION 01 OF 02 DUSHANBE 001625

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TAGS: PGOV ECON EFIN EAIR EINV TI

SUBJECT: TAJIKISTAN'S DONALD TRUMP: "NUR" MAY BECOME A LOCAL

HOUSEHOLD NAME

REF: A) DUSHANBE 0626 B) DUSHANBE 1314

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11. (SBU) SUMMARY: An upstart local competitor to Tajik Air has reached an agreement to begin domestic and international flights using new Russian planes. "NUR" recently opened its airport terminal in Khujand, will invest \$15 million to renovate the airport in Qurghon-Teppa in the south, and negotiated for 22 hectares of land near the U.S.-funded bridge at Nizhniy Pyanj to build an economic zone with a hotel, restaurant, and trade complex. NUR's experience demonstrates that the proper political backing swiftly moves along major business initiatives in Tajikistan. End Summary.

THE ENTREPRE-NUR

- 12. (SBU) Self-made businessman Nurullo Usmanov, the head of NUR, is quickly becoming the Donald Trump of Tajikistan. NUR has major holdings in construction, consumer imports, natural gas consumption, agricultural processing, textiles, aviation, medicine, and education. Usmanov began making money in fifth grade, and in ninth grade he bought his first two cars. In the 1980's he opened a production cooperative that he later reorganized into NUR, now employing 3,000 people across several sectors.
- ¶3. (SBU) Authorities finally allowed NUR's airport terminal in Khujand to open two years after its construction (Reftel A), and the company will operate international flights in and out of Khujand. Local flights still go through the old, unpleasant terminal, but Tajik Air is currently negotiating with NUR to use its new facility. According to Usmanov, the Sughd regional authorities and Tajik Air kept the new terminal out of business for two years. Recently, Usmanov convinced President Rahmonov to open the Khujand terminal. According to various sources, to

shore up political support, Usmanov became a co-partner of Orion International Group, run by President Rahmonov's brother-in-law.

14. (SBU) Usmanov stated that after the terminal opened in Khujand August 5, Khatlon regional authorities and the Presidential Administration became so eager to build a new terminal in the Qurghon-Teppa airport, near Rahmonov's home, they immediately allowed NUR to start repairs of the airfield and runway. Ground-breaking of the new terminal is scheduled to begin September 10, with President Rahmonov participating as part of the Tajik Independence Day celebrations. Usmanov plans to invest up to \$15 million in the new terminal and air navigation system at Qurghon-Teppa. Usmanov told EmbOffs that he acquired 22 hectares of land near the U.S. funded bridge at Nizhniy Pyanj, where he will build a hotel and trading center plus a cargo terminal for regional transport.

NUR AIR

- 15. (SBU) Usmanov intends to lease four new Yak-42 planes from Saratov Air, and put them under his name "NUR", for international flights. Usmanov negotiated with the governor of Saratov region, the Director of Saratov Air (SARAVIA), and the Director of the Saratov Plane Manufacturing Co., on the opening of a twice-weekly Moscow-Saratov-Qurghon-Teppa-Moscow flight, operated by Saratov Air. The first flight arrived in Qurghon-Teppa to great publicity August 17. In addition, Usmanov plans to purchase four Yak-40 planes from Tajik Air and rehabilitate them in Saratov, Russia, for domestic flights in Tajikistan.
- 16. (SBU) NUR Air could breathe a welcome sign of life into the Tajik airline industry. The Tajik Air fleet consists of outdated TU-154M, Yak-40, An-24, An-28 and Mi-8 helicopters. The four TU-154M planes are 15-23 years old and will last until 12015. Mechanics who work in the airport have a saying that the

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"planes fly simply on the honest words of the mechanics."
Rather than paying \$1 million to rehabilitate its old planes,
sources claim Tajik Air pays the Moscow Aviation Bureau \$100,000
each year in bribes to recertify the planes' operational life.
Despite years of talk of leasing two Boeings or Airbus planes,
Tajik Air has no concrete plans to modernize. Tajik Air's
monopoly of airplanes, airfield, airport, and navigation and
fuel supplies have stifled industry development. While Russian
air companies conduct more than 18 flights a week to and from
Dushanbe, Tajik Air has been reluctant to allow Turkish Air, the
only western standard carrier flying to Dushanbe, more than one
flight a week (Reftel B).

17. (SBU) COMMENT: Breaking into the airline industry could bring Mr. Usmanov and NUR to a new level of recognition in Tajikistan, where passengers' frustration in the stagnant airline industry has bubbled over. The highlighted case represents a clear example of direct involvement of President Rahmonov and his family in the business affairs of Tajikistan. In this case, however, the result should be a welcome development for Tajik airline passengers. END COMMENT. HUSHEK